



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

July 21, 2011

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To: Mayor Michael D. Antonovich
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From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

SACRAMENTO UPDATE

This memorandum contains pursuits of County positions on legislation regarding the State-County Property Tax Administration Program and beach water quality monitoring; a change in a pursuit of County position on legislation regarding road and highway construction; updates on County-sponsored legislation related to the County's Homeowner Notification Program and authorization of medical consent by a probation officer for detained minors needing non-emergency medical care; and a status on two County-advocacy measures.

Pursuit of County Position on Legislation

AB 946 (Butler), which as amended on July 12, 2011, would reauthorize the State-County Property Tax Administration Program (PTAP) to allow eligible counties, upon the recommendation of the county assessor and adoption of a resolution by the county board of supervisors, to receive loans to provide supplemental funding for local administration of the ad valorem property tax.

The State-County Property Tax Administration Program operated from FY 1995-96 through FY 2001-02. The program authorized eligible counties to apply for loans up to specified amounts to ensure that county assessors had sufficient resources to assess the value of newly constructed properties or those which had changed ownership. At the time, county assessors had been subject to severe State budget cuts resulting

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from the Legislature shifting property tax revenues from counties to the Education Revenue Augmentation Fund. Therefore, sufficient resources were not available to county auditors to assess all newly constructed properties or those which had changed ownership. The PTAP provided needed revenue for county assessor and resulted in increased property tax collections which provided revenue for schools.

AB 946 would reauthorize the State-County Property Tax Administration Loan Program from FY 2011-12 through FY 2015-16. Counties would be permitted to participate in the program upon the recommendation of the county assessor and by resolution of the county's board of supervisors. The bill also would establish new maximum loan amounts for each county and require loans to be repayable no later than June 30 following the year in which the loan is made. The bill would make available a maximum loan amount of \$19.5 million to Los Angeles County. The bill would allow the State Director of Finance to renew the loan once for an additional 12-month period at the request of the participating county board of supervisors.

If a County elects to participate in the Property Tax Loan Program, it would be required to enter into a contractual agreement with the Department of Finance which would specify, among other things: 1) the number of positions proposed to be added; 2) identify increased automation costs; 3) provide the Department of Finance a report projecting the impact of the increased funding and an audit report detailing the county's basis for satisfying the terms of the loan agreement; and 4) execute an agreement to use funds for the purposes stated or risk return of those funds to the State.

The author of AB 946 indicates that this measure would generate collectable property tax revenue far in excess of the \$60.0 million allocated by the previous Property Tax Administrative Loan Program. The program would help alleviate the impact of State Budget fiscal challenges and the resultant funding reductions for county assessors which have resulted in an increase in unworked property assessments. Further, because local property taxes are the first source of revenue for schools, the availability of increased property tax revenue would help reduce State General Fund obligations to schools under Proposition 98.

The Office of the Assessor indicates that when property tax administration is adequately funded, it allows county assessors to complete their Proposition 13-mandated work timely and accurately. Under the previous PTAP, for every \$1 allocated to county assessors, over \$12 in additional revenue was generated, over half of which went to the State to offset its obligation to fund education. Over the term of the previous PTAP, the State invested \$455.0 million for property tax administration resulting in an additional \$5.64 billion in property tax revenue, of which nearly \$3.0 billion went directly to the

State to offset their funding obligation to schools. AB 946 is expected to achieve similar results upon reinstitution of the program.

The Office of the Assessor and this office support AB 946. Therefore, consistent with Board policy to support legislation that enhances the administration of property taxes by using more efficient methods of administration, **the Sacramento advocates will support AB 946.**

AB 946 is sponsored by the California Assessors' Association. There is no registered opposition on file. This measure is currently in the Senate Rules Committee.

Pursuit of County Position on Legislation

SB 482 (Kehoe), which as amended June 20, 2011, would transfer the primary responsibility for beach water quality monitoring from the State Department of Public Health to the State Water Resources Control Board (SWRCB) effective January 1, 2012 and direct the SWRCB to identify funding for monitoring activities.

Existing law requires the State Department of Public Health to establish minimum standards for the sanitation of public beaches and to require the testing of the waters adjacent to beaches for microbiological contaminants. It also requires local health officers to: 1) implement and enforce the beach water quality control program by inspecting public beaches and testing beach waters for compliance with water quality standards; 2) restrict the use of or close beaches when water quality standards are not met; 3) establish a telephone hotline and post notices to inform the public of all beach restrictions or closures; and 4) submit information to the SWRCB regarding beach restrictions and closures.

In FY 2008-09 Governor Schwarzenegger vetoed \$1.0 million in State General Fund support for beach water quality monitoring. Since then, the SWRCB provided temporary funding for local monitoring activities. The temporary funds have been exhausted and will expire on January 1, 2012.

SB 482 would transfer responsibility for administering provisions related to monitoring beach water quality and testing from the State Department of Public Health to the State Water Resources Control Board effective January 1, 2012. The State Department of Public Health would retain responsibility for setting minimum standards for the sanitation of public beaches. The bill also would require the SWRCB to identify funding for water quality monitoring including options for integrating existing monitoring programs or requirements associated with waste discharge requirements. According to the Assembly Environmental, Safety and Toxic Materials Committee analysis of SB 482,

SWRCB would be allowed to propose, through the State Budget process, increased expenditure authority from Waste Discharge Permit Fees for beach water quality monitoring. However, the bill does not specify the amount of funding that would be allocated to local public health agencies for this activity.

According to the Department of Public Health (DPH), routine monitoring of the County's coastal waters helps ensure the safety of public health and the environment. However, in FY 2008-09 State funding was eliminated. DPH received supplemental State funding for beach water monitoring activities from the SWRCB, but this temporary funding is scheduled to end on January 1, 2012. DPH's estimates costs of \$390,000 to monitor beach water quality in FY 2011-12.

The Department of Public Health indicates that SB 482 may help secure sustainable funding to maintain the beach water monitoring program. DPH also notes that the bill would allow local jurisdictions to test beach water for microbiological indicators other than those currently required, if the Department determines that based on available scientific studies and the weight of the evidence, that the alternative indicators are protective of public health. According to DPH, this may provide new and emerging rapid testing methods to ensure a more timely response and closure process when beach water conditions warrant immediate public notification.

The Department of Public Health and this office support SB 482. Therefore, consistent with Board policy to support proposals that would maintain clean beaches and improve water quality in coastal areas, and increase funding for public health activities, **the Sacramento advocates will support SB 482.**

SB 482 is sponsored by the California Association of Environmental Health Administrators and supported by the: Alameda County, Department of Environmental Health; Humboldt County, Department of Public Health; Marin County, Department of Environmental Health; San Diego County; California Coastal Coalition; California Coastkeeper Coalition; Center for Oceanic Awareness and Research; Save Our Shores; and Sierra Club California. The measure is opposed by the California Association of Sanitation Districts and Orange County Sanitation District.

SB 482 is scheduled for a hearing in the Assembly Appropriations Committee on August 17, 2011.

Change of County Position on Legislation

County-opposed AB 720 (Hall), which would limit the flexibility of counties who utilize Road Commissioner Authority for work on roads and highways for more than

maintenance and emergency, effectively preventing counties from using the Uniform Public Construction Cost Accounting Act (UPCCAA), and limiting the percentage of work that can be performed for road construction and reconstruction to 30.0 percent of all force account work done in a county, was amended on July 12, 2011.

As reported in the July 6, 2011, Sacramento Update, the Department of Public Works (DPW) indicated that if intent language to protect county flexibility is included in the Daily Journal, that DPW would recommend removal of the oppose position to AB 720.

The Department of Public Works, the Sacramento advocates, the California State Association of Counties, and other affected counties, worked with the author and sponsors of AB 720 to formulate an amendment to address DPW's concerns regarding County's ability to perform limited road construction and/or reconstruction work by force account through Board-delegated Road Commissioner Authority. In addition, the author sent a letter to be included in the Daily Journal, declaring his intent that the determination and calculation methodology used to establish the maximum limits of allowable road construction and/or reconstruction be changed in a manner that would remove any negative impact on counties. With the acceptance of the County's above requests, DPW recommends removing opposition to AB 720. **Therefore, the Sacramento advocates will remove opposition to the bill.**

Status of County-Sponsored Legislation

County-sponsored SB 62 (Liu), which as amended on June 16, 2011, would enhance the County's existing Homeowner Notification Program to authorize the County to: 1) notify homeowners and renters subject to notices of default or sale; 2) collect a fee for notification upon the recording of a notice of default or sale; and 3) use a portion of the recording fee to provide information, counseling, or assistance to a person who receives the notice, passed the Senate Floor by a vote of 24 to 7 on July 14, 2011. This measure now proceeds to the Governor.

County-sponsored SB 913 (Pavley), which as amended June 27, 2011, would authorize a probation officer to consent to non-emergency medical care, under specified conditions, for detained minors if the parent or legal guardian cannot be located, passed the Assembly Floor by a vote of 76 to 0 on July 14, 2011. This measure now proceeds to the Senate for concurrence in Assembly amendments.

Status of County-Advocacy Legislation

County-supported AB 1066 (Perez), which as amended on June 15, 2011, would make various technical and conforming changes to implement the Special Terms and

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Conditions required by the Federal Centers for Medicare and Medicaid for the 1115 Medicaid Waiver, was signed by the Governor on July 15, 2011. AB 1066 is an urgency measure and becomes effective immediately.

County-opposed SB 744 (Wyland), which would exempt water submeters for use in a multiunit residential structure from testing and approval by the county sealer before they are placed into service for commercial use was amended on July 13, 2011.

The amendments would provide that any water submeter tested by equipment that is regularly calibrated by tests that are directly traceable to standards promulgated by the National Institute of Standards and Technology shall be deemed to be sealed and approved for commercial use, as specified. According to the Department of Agricultural Commissioner/Weights and Measures (ACWM), the bill would still eliminate the independent oversight and regulation of water submeters provided by the county sealer and would allow water submeter manufacturers to essentially self-certify their devices, thus decreasing assurance of accuracy in measurement information and removing important consumer protections. Therefore, ACWM continues to oppose SB 744. This measure is scheduled for a hearing in the Assembly Appropriations Committee on August 17, 2011.

We will continue to keep you advised.

WTF:RA
MR:IGEA:lm

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants